



New Users

and/or

New Uses



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Americans *say* they read books



73% of Americans - have read a book in the last 12 months

- *65% read a print book*
- *28% read an e-book*
- *14% has consumed book content via audio book*

Source: Pew Research: <https://www.pewresearch.org/internet/2016/09/01/book-reading-2016/>

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BEDSIDE READING

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There is a ton of competition

The combined total of **self-published print books and eBooks with registered ISBNs grew from almost 1.2 million in 2017 to more than 1.6 million in 2018**. The vast majority of those books came from the top three independent publishing platforms.

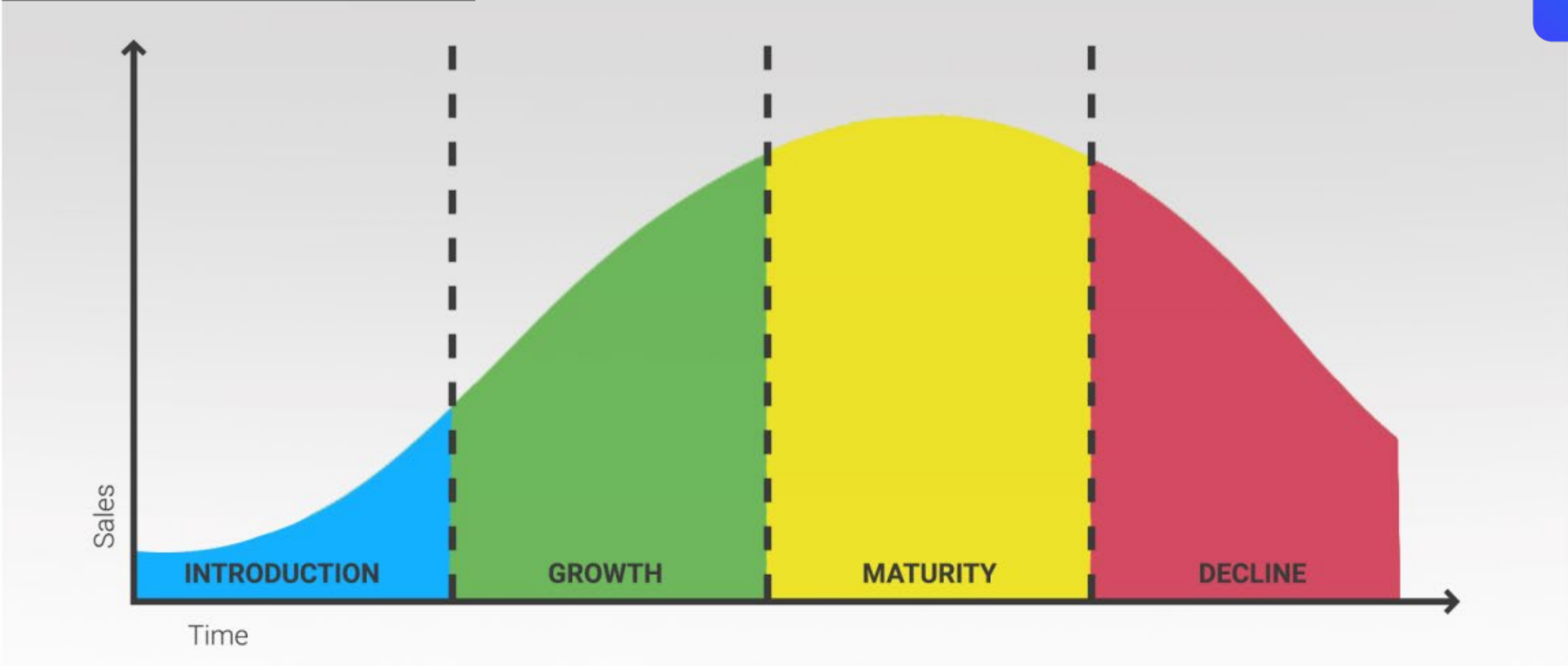
- According to Stephen Hawking *“if you stacked the new books being published next to each other, at the present rate of production you would have to move at ninety miles an hour just to keep up with the end of the line.”*

Source 1: <http://www.bowker.com/news/2019/Self-Publishing-Grew-40-Percent-in-2018-New-Report--Reveals.html>

Source 2: [Stephen Hawking book](#) Brief Answers to the Big Questions



PRODUCT LIFE CYCLE



!S

TheStreet.

Successful examples of New Users / New Uses



Products (tangible):

- Arm and Hammer Baking Soda: **New Use** = odor eliminator. Initially for Fridge/Freezer. **New Users** came as a result of the new use for the baking soda. New product lifecycle and eventually expanded to other things laundry detergent, cat litter.
- California Raisins: “Heard it through the Grapevine” Dancing raisins reintroduced raisins (a derivative of grapes) delivered to the new user leveraging the animation/song.

Services (intangible):

- FedEx: Changed the delivery industry - New use of cargo space on commercial airplanes.
- Apple: Changed delivery of content with the App store, On the product side – they changed how people use mobile phones. Creating New Users of multiple applications in several markets.

New Delivery/ Packaging:

- **California Raisins:** Implemented new individual serving packaging – making it “portable”
- **Yoplait:** New delivery 1) individual servings and 2) removed the need for a spoon in order to consume.

Self-Published Books in the U.S.



Year	eBook	eBook change/growth	% Change	Print books	Print books change/growth	% Change
2008	8336			77132		
2009	14635	176%		96724	125%	
2010	38763	265%	89%	114215	118%	-7%
2011	88238	228%	-37%	158972	139%	21%
2012	158493	180%	-48%	235639	148%	9%
2013	156278	99%	-81%	305160	130%	-19%
2014	173156	111%	12%	429240	141%	11%
2015	154263	89%	-22%	577213	134%	-6%
2016	148769	96%	7%	657062	114%	-21%
2017	131524	88%	-8%	1060821	161%	48%
2018	130440	99%	11%	1547341	146%	-16%

Source: <https://www.statista.com/statistics/249036/number-of-self-published-books-in-the-us-by-format/>



What's going on in the industry: Revenue \$\$\$

Trade book sales revenue in the U.S. 2017-2018, by format														
Book sales revenue in the United States in 2017 and 2018, by format (in million U.S. dollars)														
	Hardback	change/ growth	Mass market & paperback	change/ growth	E-book	change/ growth	Downloaded audio	change/ growth	Physical audio	change/ growth	Board books	change/ growth	All other	change/ growth
H1 2011	941.8		1,291.4		523.		-		-		-		155.3	
H1 2012	1,072.2	114%	1,241.7	96%	813.8	156%	-		-		-		191.9	81%
H1 2013	1,022	95%	1,093.6	88%	753	92%	-		-		-		206	93%
H1 2014	1,109.6	109%	1,005.9	92%	813.2	108%	-		-		-		205.9	100%
H1 2015	987.2	89%	1,101.1	109%	729.7	90%	-		-		-		273.4	75%
H1 2016	989.7	100%	-	#VALUE!	579.5	79%	126.7		-		-		-	#VALUE!
H1 2017	1,110	112%	-	#VALUE!	556	96%	158	124%	-		-		182	66%
2017	2,860.9	258%	2,643.5	240%	1,054.2	190%	342.2	217%	58.2		147.1		388.5	47%
2018	3,057.7	107%	2,673.6	101%	1,016.2	96%	469.3	137%	45.7	79%	150.9	103%	422.8	92%
Please note that the grayed-out values may slightly differ from the respective values at the source, since the latter may have been recalculated.														

Source: Statista

What's going on in the industry : Units by format



Unit sales in 1000										
YEAR	Hardcover	change/ growth	Audio	change/ growth	Mass Paperback	change /growth	Board Book	change/ growth	Trade paperback	change/g rowth
2013	168250		5116		80020		23069		324701	
2014	173483	3%	5128	0%	71758	-10%	27092	17%	338940	4%
2015	178255	0%	4434	-14%	64318	0%	30978	-3%	355737	1%
2016	187940	3%	3836	0%	59357	3%	33280	-7%	370019	-1%
2017	194699	-2%	3327	0%	55577	1%	36878	3%	375532	-3%
2018	206611	3%	2316	-17%	50414	-3%	39350	-4%	374137	-2%
2019	207156	-6%	1653	2%	42685	-6%	39971	-5%	371409	0%

Jan 16, 2020 - Hardcover printed books and board books were the only two formats to see an increase in unit sales, and physical audio book sales fell by 28.6 ...

Source: <https://www.statista.com/statistics/422662/print-book-sales-usa-by-format/#statisticContai>



Estimated sales by Genre



Genre	Market
Romance Erotica	\$ 1,044,000,000.00
Crime/Mystery	\$ 728,200,000.00
YA	\$ 3,670,000,000.00
Sci Fi/Fantasy	\$ 590,200,000.00
Horror	\$ 79,600,000.00
Religious Inspirational	\$ 720,000,000.00
Listed Genre's annual sales	\$ 6,832,000,000.00

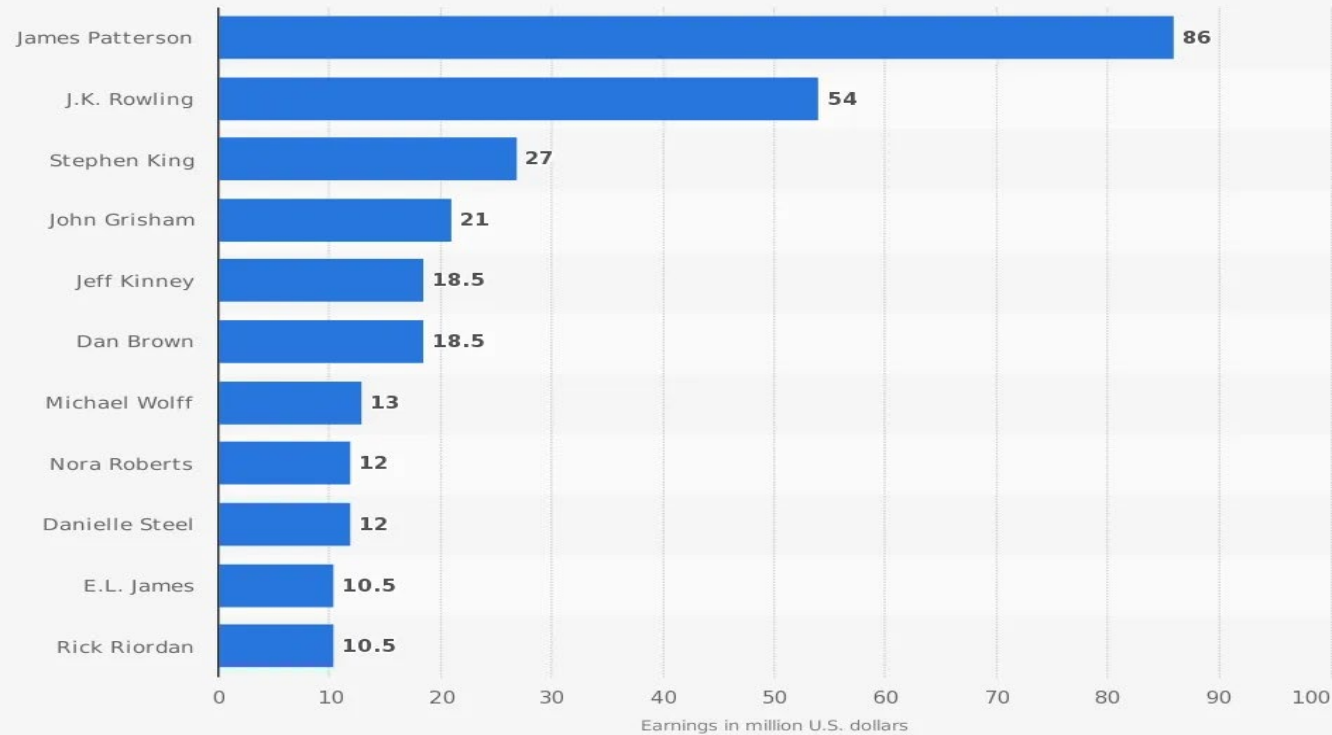
Source: <https://bookstr.com/article/book-genres-that-make-the-most-money/>



The Mega-author Earnings



Earnings of the wealthiest authors worldwide from June 2017 to June 2018 (in million U.S. dollars)



Source
Forbes
© Statista 2019

Additional Information:
Worldwide; June 1, 2017 to June 1, 2018

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Mega-author market share (Listed Genres example)

Example guestimated Mega-Author based on the sum of published earnings reports	\$ 246,000,000.00
Mega-Author % of total market	3.60%
Mega-author consumption (based on average 2011-2018)	
Imprint @ 67%	\$ 163,836,000.00
eBook @25%	\$ 60,516,000.00
Audio @13%	\$ 34,440,000.00
	\$ 258,792,000.00
Mega-Author % of total market based on 5 yr average	3.79%
Differential apply format % to published Mega-Author earnings	\$ 12,792,000.00
	5%



Market Reality – simple math

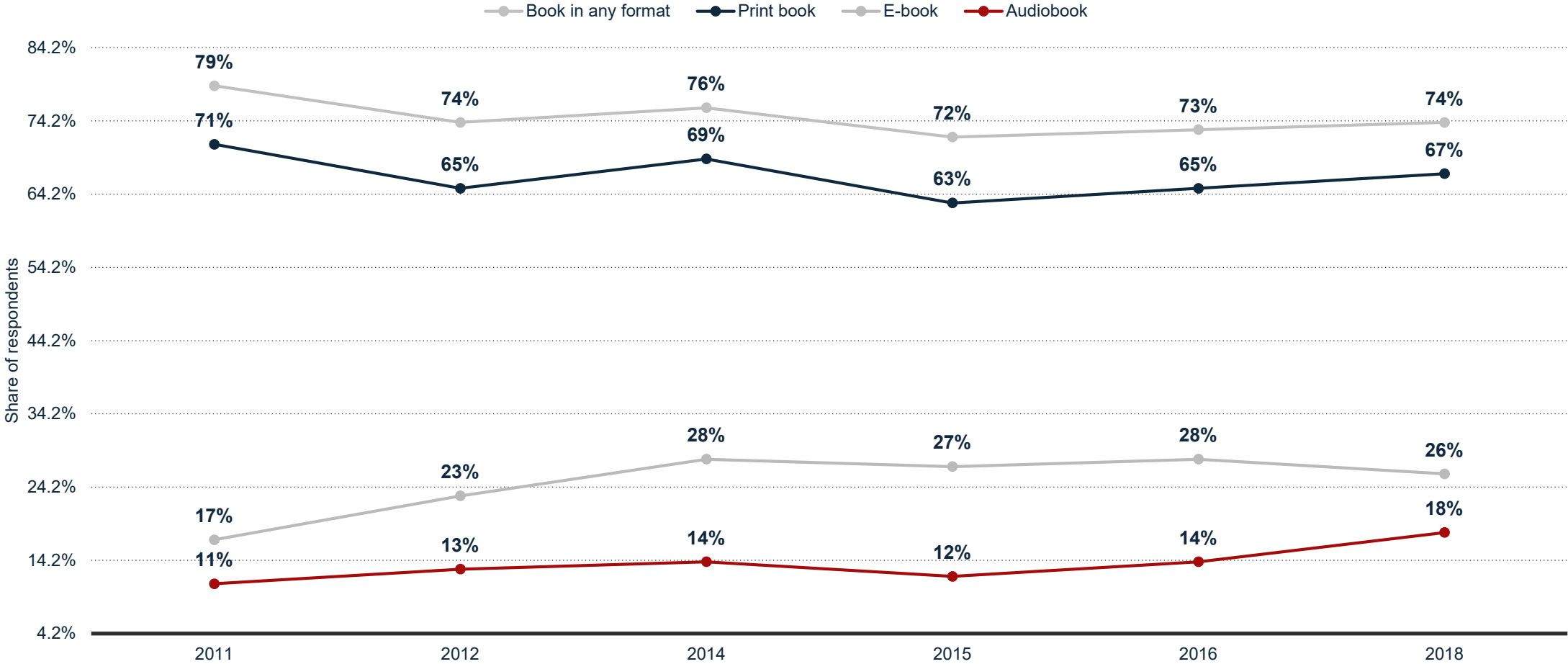


Self published Print Books US	1547341
Number of units sold ALL categories minus eBook, downloaded Audio, and Board books	633487
Mega Author list 4% share	-25339
Total market in units	608148
Number of books sales pe Self Published Author	0.39



Book consumption in the United States from 2011 to 2018, by format

Book consumption in the U.S. 2011-2018, by format



Note: United States; 2018: January 3-10, 2018; 18 years and older; 2018: n = 2,002; read/listened to at least one book in the following formats in the past 12 months
Further information regarding this statistic can be found on [page 8](#).
Source(s): Pew Research Center; [ID 222754](#)

What is the answer?



Find **New Users** for your product
or
a **New way** for users to use your product or **New Uses**

OR

Best case scenario = Both!

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Where can we find New Users?



- Relatively few Americans are “digital-only” book readers regardless of their demographic characteristics.
- Interestingly, young adults are **no more** likely than older adults to be “digital-only” book readers:
 - 6% of 18- to 29-year-olds are digital only book readers
 - 7% of 30- to 49-year-olds are digital only book readers
 - 5% of those 50 and older are digital only book readers

Source: Pew Research 2016

Mobile device consumption on the rise



Multipurpose mobile devices are chosen over dedicated e-readers

- **tablet computers increased 4-15%**
- **Smartphones increased from 5-13%**

Cell Phone devices

- **one-in-five (19%) under the age of 50 consume e-book content on cell phones**
- **17% of college graduates read books on cell phones today**
- **11% of those with high school diplomas or less.**

Source: Pew Research

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Who are digital readers?



18-29 year old, women and men

- 18 to 29-year-olds
 - *80% of have read a book in the last year*
 - *more likely to read books in various digital formats*
 - *also more likely to read print books as well*
- Women
 - *are more likely than men to read books in general*
 - *also more likely to read print books.*
- Men and women
 - *equally likely to read digital-format books such as e-books and audio books*

College graduates

- *more likely to read books in general*
- *are more likely to consume digital-book content*

Source: Pew Research





Digital-only readers = Our New Users ?

The potential growth of “digital only” book readers?

- 6% of 18- to 29-year-olds are digital only book readers – 94% growth opportunity
- 7% of 30- to 49-year-olds are digital only book readers – 93% growth opportunity
- 5% of those 50 and older are digital only book readers- 95% growth opportunity

80% of 18- to 29-year-olds have read a book in the last year = demand exists

18-29-year-olds are more likely than their elders to read books in various digital formats = Comfortable with digital content , Able to adapt to new technologies

Men and women are equally likely to read digital-format books = Equal opportunity to market to all gender identities

17% of college graduates read books this way = 83% growth opportunity

Source: Pew Research



What do we know about these potential New Users?



- On average, this constituency consumes 162 to 192 minutes of digital media per day.
- All Americans spend 140 minutes of their awake time watching Netflix, Hulu, YouTube, listening to Apple Music, Spotify and other movie and music streaming services
- This leaves 22 to 52 minutes of time remaining in their digital budget - rAthe refers to as micro-leisure

Source: Globalwebindex



What are our New Users currently doing with this 22 to 52 minutes of micro-leisure time every day?

- **42%** **Games**
- **69%** **Social Networking**
- **55%** **Messaging**
- **34%** **Productivity**
- **32%** **Travel**
- **26%** **Sports**

Source: Mindsea





Who are Our New Users?

18-29 year-old (all genders)
College Educated

Likely to be:

- Students
- Recent graduates
- Young professionals
- New /Parents



Identify New way for users to use our product/service or New Use



Our “New Users” = college educated, digital-only readers who are between 18-29 years old

- New way for New Users to engage/consume (read) our books (content)
- Delivery to New Users in a manner they can easily access, utilizing existing frameworks (like FedEx used cargo space)
- Fits within, but does not consume all of their 22-52 minute daily micro-leisure time

Source: rAthe

- Attributes mobile app: Doesn't drain battery, doesn't require 2 hands, Fewer Push Notifications , easy on data storage (Source: Mindsea)

Following the Successful examples of New Users / New Uses



Products (tangible):

- **Print Books – Still king.** “New Users” Can only come from visibility and reach. You can’t change the “use” of Print books in this context.

Services (intangible):

- **eBooks – New Use – New way to consume eBooks.** Like Go-gurt eliminating the need for a spoon.

Delivery

- **Change the serving size.** Entice “new users (readers)” by packaging the content in increments that are easy to consume and available on their schedule regardless of that schedule. (like Go-gurt, raisins)

And/or

- **Utilize existing infrastructures for promotion and/or delivery:** (Like FedEx model: shipped packages utilizing availability on commercial airliners) **Examples: rAthe mobile app (eBooks) and/or Bedside Reading (Printed books)**



Value Proposition (Unique Functionality) of “New Use” Delivery Printed and eBook



- Access to Captive Audience - Real estate in hotels: Bedside Reading. rAthe mobile app
- Reach/Pathway(s) to your audience: Bedside Reading in hotels/national advertising. rAthe author portal to mobile app .
- Mechanism to deliver content (Bedside Sales channel through luxury hotels. rAthe channel to iPhone users in the US.
- Leverage video to drive interest - Podcast development and distribution Bedside Reading/Lou Diamond

Value Proposition (Unique Functionality) of “New Use” eBooks – rAthe mobile app.



- No Subscriptions – Pay as you go with no commitment
- Pre-packaged into bite sized increments (2-3 minute reads/625-word Episodes) – manage your time
- Free eBook in the format of your choosing when all individual episodes are purchased
- Maximize productivity specifically required reading Titles, a little at a time...
- No annoying ads
- Few Push Notifications (2 per week)
- Free samples of every Title
- Classics available for free, some University required reading
- Maximum user flexibility - Access to multiple format options (small doses, eBook, and/or imprint)
- Doesn't require 2 hands
- Doesn't drain battery and easy on data storage
- Existing account mirroring (we store none of your sensitive data)

Implementation plan New Users/New uses



- Control availability of YOUR content -- Strategically (Exclusivity sells)
- Differentiate distribution access/delivery channels by format and profit margin.
- Limit Free content
 - Manage prepaid/subscription distribution: Authors do not share in the subscription revenue.
 - Measure “Free” samples of content against other delivery options (example: free pages on Amazon/Kindle)
- Leverage EVERYTHING strategically. Starting with e-Media (Digital/Social Media, Podcast) leading readers/customers to your distribution outlets based on utilization.